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Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters

Financial performance report of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the updated report of the Secretary-General on the financial performance of the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia (UNCRO), the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Peace Forces headquarters (A/55/840). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. By paragraph 10 of its resolution 54/269 of 15 June 2000, the General Assembly authorized the Secretary-General to retain $179,899,700 gross and net of the unencumbered balance of appropriations of $304,179,027 gross ($304,955,370 net) for the mission from inception on 12 January 1992 through 31 December 1999, in order to meet the cost of outstanding Government claims. By paragraph 13 of the same resolution, the Assembly decided to suspend the provisions of regulations 4.3, 4.4 and 5.2 (d) of the financial regulations of the United Nations, in order to allow for reimbursement to troop contributors and in the light of the cash shortage of the combined missions, and requested the Secretary-General to provide an updated report in one year.

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3. As indicated in paragraph 8 and table 1 of the report of the Secretary-General, a total of $5,082,586,459 gross ($5,044,754,959 net) was appropriated by the General Assembly for the United Nations Peace Forces. Total expenditures as at 31 December 2000 amounted to $4,581,943,000 gross ($4,547,379,900 net), leaving a balance of $500,643,459 gross ($497,375,059 net). Of that balance, $325,900,342 gross ($321,855,689 net) has been credited to Member States, bringing the total unencumbered balance of appropriations as at 31 December 2000 to $174,743,027 gross ($175,519,370 net), a decrease of $129,436,000 from the corresponding figure as at 31 December 1999. The decrease resulted from additional expenditures of $179,900,000 for the settlement of Government claims, offset by reductions amounting to $50,464,000 from the cancellation of prior period obligations ($43,260,000) and prior period adjustments in respect of reimbursement for troop costs and contingent-owned equipment, write-offs, inter-office vouchers and other miscellaneous items ($7,204,000).

4. As indicated in paragraphs 9 and 10 of the Secretary-General's report, there is a continuing shortage of cash in the United Nations Peace Forces special account owing to a high level of unpaid assessed contributions. Thus, while there is an unspent balance of appropriations, there is no corresponding cash balance. It is for this reason that certified Government claims have been placed in accounts payable. The Advisory Committee was informed that, as at 19 March 2001, the cash position of the United Nations Peace Forces was nil, with unliquidated obligations totalling $53.2 million, of which $50.9 were Government related and $2.3 million were not, and a current loan from the United Nations Observer Mission in Angola (MONUA) of $1 million. The Committee was also informed that the total amount assessed on Member States amounted to $4,860,018,052, against which the payments received as at 28 February 2001 amounted to $4,244,221,569, leaving an outstanding balance of $615,796,483.

5. The Advisory Committee was informed that full reimbursement of troop costs had been made. Reimbursements up to 30 June 1997 amounted to $1,337,602,238, including $1,358,146 being held in accounts payable awaiting payment instructions from a troop-contributing Government. With regard to contingent-owned equipment, the Committee was informed that, as at 31 December 2000, an amount of $550,313,767 had been reimbursed and the estimated amount owed was $264,054,857, inclusive of an amount of $235,013,527 held in accounts payable, while unliquidated obligations totalled $29,041,330. In respect of death and disability compensation, $53,164,968 had been paid as at 31 December 2000 for 620 claims, the amount for pending claims totalled $394,949, including $260,359 held in accounts payable, and unliquidated obligations amounted to $369,427.

6. The Advisory Committee notes that, according to the report of the Secretary-General (ibid., para. 11), no progress has been made in obtaining reimbursement of expenditures amounting to $127,379,954 incurred by the United Nations Peace Forces for goods and services that should have been provided without cost under the terms of the agreements with the host Governments (A/54/803, paras. 18-20). **The Committee reiterates its concern, as expressed in its report of 6 April 2000 (A/54/835, para. 8), at the lack of progress in this regard and again encourages the Secretary-General to pursue the issue.**

7. The action to be taken by the General Assembly in connection with the financing of the United Nations Peace Forces is indicated in the report of the Secretary-General (A/55/840, para. 17). **In the view of the Advisory Committee, the General Assembly may wish to consider continuation of the temporary suspension of the provisions of financial regulations 4.3, 4.4 and 5.2 (d) in the light of the chronic cash shortage of the United Nations Peace Forces.**